



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

February 16, 2006

The Honorable Charles B. Rangel  
Ranking Member  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Rangel:

On December 29, I wrote to Congress regarding the need to increase the statutory debt limit. Because the debt limit has not been raised, I must inform Congress, pursuant to 5 U.S.C. 8438(h)(2), that it is my determination that, by reason of the public debt limit, I will be unable to fully invest the Government Securities Investment Fund ("G-Fund") of the Federal Employees' Retirement System in special interest-bearing Treasury securities beginning on February 16, 2006. The statute governing G-Fund investments explicitly authorizes the Secretary of the Treasury to suspend investment of the G-Fund to avoid breaching the statutory debt limit. Such a suspension action has been taken in the past by my predecessors and by me.

G-Fund beneficiaries are fully protected and will suffer no adverse consequences from this action. The statute ensures that once the Secretary of the Treasury can make the G-Fund whole without exceeding the public debt limit, he is to do so. Under the governing law in this case, the G-Fund will receive complete restoration of all funds temporarily affected by this necessary action, including full and automatic restoration of any interest that would have been credited to the Fund. Consequently, once I am able to make the G-Fund whole, the effect on the G-Fund and its beneficiaries will be the same as if this temporary action had never taken place.

Given current projections, it is imperative that the Congress take action to increase the debt limit by mid-March. I know that you share the President's and my commitment to maintaining the full faith and credit of the United States.

Sincerely,

John W. Snow